

R307. Environmental Quality, Air Quality.

R307-121. General Requirements: Eligibility of Expenditures for Purchase of Vehicles that Use Cleaner Burning Fuels for Corporate and Individual Income Tax Credits.

R307-121-1. Purpose.

This rule provides taxpayers with the criteria and procedures to obtain certification from the board that a vehicle is eligible for a credit under 59-7-605 and 59-10-127.

R307-121-2. Definitions.

Definitions. The following additional definitions apply to R307-121.

"Conversion System" means a package which may include fuel, ignition, emissions control, and engine components that are modified, removed, or added to a motor vehicle or a special mobile equipment to make that vehicle or equipment an eligible vehicle.

"Eligible" means that the vehicle or special mobile equipment:

- (i) is fueled by propane, natural gas, or electricity;
- (ii) is fueled by other fuel the Air Quality Board determines annually on or before July 1, to be at least as effective as fuels under (i) above in reducing air pollution; or
- (iii) meets the clean fuel vehicle standards specified in Part C of Title II of the federal Clean Air Act.

"OEM vehicle" is defined in 63-34-202 to mean a vehicle manufactured by the original vehicle manufacturer or its contractor to use a clean fuel.

"Special Mobile Equipment" is defined in 59-7-605(1)(d) and 59-10-127(1)(d).

R307-121-3. Anti-Tampering Policy.

No person may convert a motor vehicle to use a clean fuel in a manner that violates Section 203(a) of the Act or the "Interim Tampering Enforcement Policy" of the Environmental Protection Agency, June 15, 1974.

R307-121-4. Proof of Purchase for OEM Vehicle.

To obtain certification from the board that a vehicle is eligible, proof of purchase shall be made by submitting the following documents to the executive secretary:

(1)(a) a copy of the Manufacturer's Statement of Origin or equivalent manufacturer's documentation showing that the vehicle is an OEM vehicle, or

(b) if within a county with an inspection and maintenance (I/M) program, a copy of the vehicle inspection report from an approved I/M station showing that the vehicle meets emission standards for all installed fuel systems, or

(c) a signed statement by an American Service Excellence (ASE) certified technician that includes the vehicle identification number and states that the vehicle is an eligible OEM vehicle, or

(d) if the vehicle is a government agency fleet vehicle, documentation from the appropriate motorpool or government agency representative that sold the vehicle that the vehicle is an OEM vehicle, and

(2) an original or copy of the purchase order, customer invoice, or receipt including the vehicle identification number (VIN).

R307-121-5. Proof of Purchase for Vehicle Converted to Alternate Fuels.

To obtain certification from the board that a conversion of a motor vehicle to be fueled by clean fuel is eligible, proof of purchase shall be made by submitting the following documentation to the executive secretary:

- (1) VIN;
- (2) fuel type before conversion;
- (3) fuel type after conversion;
- (4) either:

(a) if within a county with an I/M program, a copy of the vehicle inspection report from an approved station showing that the converted alternate fuel vehicle meets all county emissions requirements for all installed fuel systems, or

(b) a signed statement by an ASE certified technician that includes the VIN and states that the conversion is functional, or

(c) if the vehicle is a government agency fleet vehicle, documentation from the appropriate motor pool or government agency representative that sold the vehicle that the converted vehicle is eligible.

(5) If the vehicle is newly converted within one year of the tax year in which the credit is to be claimed:

- (a) conversion system manufacturer;
- (b) conversion system model number;
- (c) date of the conversion;
- (d) name, address, and phone number of the person that converted the vehicle.

R307-121-6. Procedures for Obtaining Certification by the Board for Special Mobile Equipment.

To obtain certification from the board that a conversion of special mobile equipment to be fueled by clean fuel is eligible, proof of purchase shall be made by submitting the following documentation to the executive secretary:

- (1) description of special mobile equipment for which credit is to be claimed;
- (2) fuel type before conversion;
- (3) fuel type after conversion;
- (4) the conversion system manufacturer and model number;
- (5) the date of the conversion;
- (6) the name, address and phone number of the person that converted the special mobile equipment; and
- (7) if special mobile equipment is converted from one clean

1 fuel to another, documentation that either carbon monoxide or
2 hydrocarbon emissions were reduced as a result of the conversion
3 to the new fuel.

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5 **R307-121-7. Procedures for Obtaining Certification by the Board**
6 **for Fuel Conversion Systems.**

7 (1) For vehicles.

8 (a) The executive secretary will issue a certificate,
9 stating that the fuel conversion system for a specific fuel,
10 vehicle class, and engine type has been certified by the Board, if
11 the system manufacturer submits the following information to the
12 executive secretary and if the executive secretary decides the
13 conversion system has met all applicable requirements:

14 (i) description of each conversion system, fuel used,
15 vehicle certification class (including vehicle type and vehicle
16 weight class), and engine type;

17 (ii) Federal Test Procedure (FTP) mass emissions test data
18 which:

19 (A) is collected in high altitude conditions as defined by
20 the Environmental Protection Agency (EPA) using EPA approved
21 equipment, test procedures and practices, and meeting EPA
22 emissions certification standards, as defined in 40 CFR Part 86;

23 (B) shows that tests conducted before and after installation
24 of the conversion system demonstrate a reduction in total
25 emissions and that there is no increase in emissions for each
26 regulated pollutant compared to emission levels when operated on
27 the original fuel prior to the conversion;

28 (C) is tested on two vehicles for each vehicle certification
29 class which have accumulated at least 4,000 miles each;

30 (iii) system engineering specifications.

31 (b) The executive secretary will issue a certificate if the
32 federal Environmental Protection Agency has certified the
33 conversion system, or if the fuel conversion system has been
34 certified by a state whose certification standards are recognized
35 by the Board.

36 (c) Special provisions.

37 (i) After conversion, dual-fuel or flexible-fuel vehicles
38 shall be required to undergo at least one Federal Test Procedure
39 on conventional fuel and must demonstrate that the EPA emissions
40 certification standards in 40 CFR Part 86 for that vehicle type
41 and model year on the conventional fuel are being met.

42 (ii) The executive secretary may waive the requirement for
43 testing to be conducted at high altitude, specified
44 in (1)(a)(ii)(A) above, if the manufacturer demonstrates that the
45 conversion system provides an equivalent emission reduction.

46 (iii) Acceptability of Canadian data will be determined on a
47 case-by-case basis after demonstrating to the satisfaction of the
48 executive secretary that the test is equivalent to the Federal
49 Test Procedure.

50 (iv) Vehicle conversions must comply with EPA Mobile Source
51 Enforcement Memorandum No. 1A., dated June 25, 1974.

(2) For special fuel mobile equipment.

(a) The executive secretary will issue a certificate, stating that the fuel conversion system for a specific fuel and mobile equipment engine type has been certified by the Board, if the system manufacturer submits the following information to the executive secretary and if the executive secretary decides the conversion system has met all applicable requirements:

(i) description of each conversion system, fuel used, and mobile equipment engine type;

(ii) emissions test data showing that the conversion system results in an emission reduction of total emissions and that there is no increase in emissions for each regulated pollutant in comparison with emission levels when operated on the original fuel prior to the conversion; and

(iii) system engineering specifications.

(b) The executive secretary will issue a certificate if the federal Environmental Protection Agency has certified the conversion system or if the fuel conversion system has been certified by a state whose certification standards are recognized by the Board.

(c) The executive secretary shall evaluate the certification of conversion system for special fuel mobile equipment on a case-by-case basis as new technologies are improved.

(3) Certification by other states may be accepted by the executive secretary if it meets the requirements specified in (1) and (2) above.

R307-121-8. Revocation of Certification.

The executive secretary will revoke the certification of a conversion system if an investigation finds that a certified conversion system exceeds the level of emissions for which it was certified, taking into account deterioration because of age or other reasonable concern.

R307-121-9. Duty to Acknowledge Proof of Purchase.

The executive secretary will acknowledge receipt of proofs specified in R307-121 by signing the relevant written statement provided on forms prescribed by the State Tax Commission.

KEY: air pollution, tax exemptions, motor vehicles

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